

Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 USPS-01 L-03 TRSE-00 /023 W
-----071308 280743Z /16

R 271826Z JAN 78
FM AMEMBASSY PORT AU PRINCE
TO SECSTATE WASHDC 7369

LIMITED OFFICIAL USE SECTION 1 OF 2 PORT AU PRINCE 0342

E.O. 11652: N/A
TAGS: ETEL, HA
SUBJECT: HAITIAN POSTAL DEBT

REF: STATE 030684

1. SUMMARY: AN EMBASSY OFFICER DISCUSSED THE POSTAL DEBT ISSUE WITH NATIONAL BANK DIRECTOR ANTONIO ANDRE ON JANUARY 17 AND PRESENTED THE USPS DEMARCHE AS INSTRUCTED. ANDRE WANTS TO NEGOTIATE A SETTLEMENT FOR THE ENTIRE DEBT AS SOON AS POSSIBLE, DOES NOT WISH TO MAKE A PARTIAL PAYMENT, AND REPEATED HIS JUNE 17 OFFER TO SETTLE THE DEBT ON TERMS WHICH WOULD INVOLVE A TOTAL PAYMENT OF \$500,000. THE GOH HAS NEGOTIATED SEPARATE PAYMENT AGREEMENTS WITH THE AIRLINES AND CONTINUED DISCUSSION OF THE MATTER CAN ONLY DELAY SETTLEMENT OF THE LEGITIMATE POSTAL DEBT. THE EMBASSY RECOMMENDS THAT USPS CAREFULLY CONSIDER ANDRE'S OFFER, PREPARE A NEW STATEMENT, OMIT THE EXTRANEIOUS AIRLINE CLAIMS, CALCULATE A REASONABLE DEDUCTION FOR THE HAITIAN COUNTER-CLAIM, AND AUTHORIZE THE EMBASSY TO NEGOTIATE AN EQUITABLE SETTLEMENT. END SUMMARY.

2. AN EMBASSY OFFICER MET WITH ANTONIO ANDRE, DIRECTOR OF HAITI'S NATIONAL BANK ON JANUARY 17 AND PRESENTED THE USPS DEMARCHE AS INSTRUCTED REFTTEL. THE EMBASSY
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WAS UNABLE TO OBTAIN AN EARLIER APPOINTMENT AS ANDRE HAS BEEN ILL. HE HAS BEEN AUTHORIZED BY PRESIDENT DUVALIER TO NEGOTIATE A DEBT SETTLEMENT, WANTS A PROMPT CONCLUSION TO THE NEGOTIATIONS, AND IS THE ONLY HAITIAN OFFICIAL WHO UNDERSTANDS THE ISSUE.

3. ANDRE IS NOT ENTHUSIASTIC ABOUT THE USPS REQUEST

THAT THE GOH MAKE AN IMMEDIATE PAYMENT OF \$100,000 AND NEGOTIATE AN OVERALL SETTLEMENT LATER. HE SAID THAT HE WANTS TO CONCLUDE NEGOTIATIONS FOR THE ENTIRE DEBT AS SOON AS POSSIBLE. IN THIS CONTEXT, HE REPEATED HIS JUNE 17 PROPOSAL FOR A \$500,000 SETTLEMENT WITH AN INITIAL PAYMENT OF \$100,000 AND 96 MONTHLY PAYMENTS OF \$4,166.67. HE SAID THAT HE MADE THE OFFER HOPING TO AVOID CONTINUED AND FRUITLESS DISCUSSIONS OF THE \$333,884.45 HAITIAN COUNTER-CLAIM. HE ASKED THAT THE USPS CONSIDER HIS PROPOSAL AND RESPOND TO IT DIRECTLY.

4. THE EMBASSY SHARES ANDRE'S RELUCTANCE TO CONTINUE DISCUSSION OF THE HAITIAN COUNTER-CLAIM. THE RECORDS OF THE HAITIAN POST OFFICE ARE INCOMPLETE, BOOK-KEEPING IS CASUAL, AND THE COUNTER-CLAIM PROBABLY IS EXAGGERATED. NEITHER ANDRE NOR THE EMBASSY HAVE ENOUGH INFORMATION TO RATIONALLY DISCUSS THE COUNTERCLAIM AND CONTINUED FOCUS ON IT CAN ONLY PROLONG THE NEGOTIATIONS. INASMUCH AS A PROMPT AND EQUITABLE SETTLEMENT APPEARS TO BE THE MAIN U.S. INTEREST, THE EMBASSY RECOMMENDS THAT USPS SERIOUSLY CONSIDER ANDRE'S PROPOSAL. ANDRE'S FORMULA AMOUNTS TO A DEDUCTION OF 28 PERCENT FOR THE HAITIAN POSTAL SERVICE COUNTER-CLAIM. IF THE USPS CONSIDERS THAT UNREASONABLE, THE EMBASSY REQUESTS THAT IT PROPOSE ANOTHER FORMULA, SUCH AS A TOTAL PAYMENT OF \$550,000 WITH AN INITIAL PAYMENT OF \$100,000 AND 96 PAYMENTS OF \$4,687.50. THIS WOULD REDUCE LIMITED OFFICIAL USE

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THE ALLOWANCE FOR A HAITIAN COUNTER-CLAIM TO 21 PERCENT OR CONSIDERABLY LESS THAN THE 33 PERCENT THAT ANDRE STATES WAS ALLOWED IN THE 1970 SETTLEMENT.

5. ANDRE SAID THAT THE GOH IS PAYING PAN AMERICAN \$5,000 PER MONTH (NOT \$4,000 PER MONTH AS REPORTED PAP 2282 JUNE 77) TO LIQUIDATE DEBTS ACCUMULATED THROUGH SEPTEMBER 1973. HE HAS SIMILAR ARRANGEMENTS WITH OTHER AIRLINES. HE SAID THAT BILLS FROM PAN AMERICAN AND OTHER AIRLINES HAVE BEEN MET ON A CURRENT BASIS SINCE OCTOBER 1973. HE SHOWED THE EMBASSY OFFICER RECEIPTS FROM PAN AMERICAN AND OTHER AIRLINES INCLUDING ONE

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FM AMEMBASSY PORT AU PRINCE
TO SECSTATE WASHDC 7340

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FOR JANUARY 1978 PAYMENT TO PAN AMERICAN FOR BILLS
INCURRED THROUGH OCTOBER 1969.

6. THE EMBASSY REMAINS CONCERNED THAT AIRLINE BILLS
ARE LISTED ON THE USPS GENERAL STATEMENT. ALTHOUGH THE
BILLS ARE APPARENTLY NOT ADDED TO THE AMOUNT OWED THE
USPS, LISTING THEM ON THE USPS STATEMENT RAISES THE
LEGAL QUESTION OF WHETHER THE US. IS FORMALLY ESPOUSING
THEM. IT ALSO IS TACTICALLY QUESTIONABLE WHEN THE
GOH ALREADY HAS PAYMENT ARRANGEMENTS AND IT IS CLOUDING
THE CENTRAL ISSUE. THE EMBASSY RECOMMENDS THAT A
NEW STATEMENT BE PREPARED OMITTING THE QUESTIONABLE
AIRLINE DEBTS.

7 ANDRE SAID THAT HE WILL ASK THE HAITIAN POST OFFICE
TO SEND USPS FORMS C-21 BIS, AND CP-11 AND/OR CP-12
AS REQUESTED.

8. IN SUMMARY, THE EMBASSY RECOMMENDS:

A. WE DISCONTINUE DISCUSSION OF THE HAITIAN
COUNTER-CLAIM.

B. THE QUESTIONABLE AIRLINE DEBTS BE OMITTED FROM THE
USPS STATEMENT.

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C. IF USPS CONSIDERS ANDRE'S \$500,000 INADEQUATE,
A FAIR COUNTER OFFER BE PREPARED.

D. AND THE EMBASSY BE AUTHORIZED TO RESPOND DIRECTLY
TO ANDRE'S PROPOSAL, EITHER ACCEPTING IT AS OFFERED
OR BY OFFERING A COUNTER PROPOSAL.

THE EMBASSY REQUESTS THAT ARA/CAR AND L REVIEW
THESE RECOMMENDATIONS WITH THE VIEW OF COMING TO AN

EARLY EQUITABLE SETTLEMENT OF THE USPS CLAIM. NEGOTIATIONS
ABOUT THIS CLAIM ALREADY HAVE DRAGGED ON FOR TWO YEARS.
WE BELIEVE THAT IT IS IN OUR INTEREST TO ADOPT THE
FLEXIBLE TACTICS NEEDED TO SETTLE THE CLAIM AND
AVOID JEOPARDIZING MORE IMPORTANT NATIONAL OBJECTIVES.
JONES

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